

Company reporting of greenhouse gas emissions

Presented to Parliament pursuant to
Section 85 of the Climate Change
Act 2008

March 2012

www.defra.gov.uk

Department for Environment,
Food and Rural Affairs

Company reporting of greenhouse gas emissions

Presented to Parliament pursuant to Section 85 of the Climate Change Act 2008.

© Crown copyright 2012

You may re-use this information (excluding logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/> or e-mail: psi@nationalarchives.gsi.gov.uk.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

Any enquiries regarding this publication should be sent to us at ghgreporting@defra.gsi.gov.uk

This publication is available for download at www.official-documents.gov.uk.

This document is also available from our website at:
<http://www.defra.gov.uk/environment/economy/business-efficiency/reporting>

ISBN: 9780108511394

Printed in the UK for The Stationery Office Limited
on behalf of the Controller of Her Majesty's Stationery Office

ID 2480590 03/12

Printed on paper containing 75% recycled fibre content minimum.

PB13718

Company reporting of greenhouse gas emissions

Introduction

1. Section 85 of the Climate Change Act 2008 requires the Secretary of State to make regulations under section 416(4) of the Companies Act 2006 (c. 46) requiring the directors' report of a company to contain such information as may be specified in the regulations about emissions of greenhouse gases from activities for which the company is responsible, or lay before Parliament a report explaining why no such regulations have been made.
2. This report outlines why no regulations have been introduced.

Background

3. No decision has yet been reached. Ministers are currently considering the analysis of responses to a public consultation in the summer 2011; an analysis of the costs and benefits of different options aimed at encouraging corporate reporting of greenhouse gas emissions; and the review of evidence for how corporate reporting helps the UK meet its climate change objectives. The review of evidence was required by section 84 of the Climate Change Act and was laid, as a report, before Parliament on 30 November 2010.
4. The Government started, in December 2009, its review of the evidence, for the contribution that reporting on GHG emissions makes to the achievement of Government's climate change objectives. The report presented to Parliament included a specially commissioned study, undertaken by PricewaterhouseCooper and the Carbon Disclosure Project, into "the contribution of reporting to GHG emission reductions and associated costs and benefits", as well as a study by researchers on behalf of Defra and the Climate Standards Disclosure Board on "investors, climate risk and company disclosures". The report also included newly published evidence from a number of studies from a range of different sources, including the Environment Agency, the Institute of Environmental Management and Assessment, and Organisation for Economic Co-operation and Development. The conclusions of the review of evidence informed the decision to consult on different options, and the consultation cost-benefit analysis.
5. The public consultation, between May and July 2011, proposed four options to promote more widespread and consistent reporting by companies of GHG emissions: a voluntary approach and three mandatory approaches. Views were sought on the different options and, if a mandatory option was chosen, what information companies should be required to disclose. A number of events and workshops for businesses were run by Defra officials during the consultation period to explain more fully the different options and to gather views.
6. The consultation received a total of 2018 written submissions, with a number of those from companies providing detailed information on estimated costs and benefits. This information was used to revise the consultation impact assessment resulting in more accurate and robust costs and benefits of the different policy options in the final impact assessment.
7. In the light of consultation responses, and the evidence on costs and benefits, Ministers are currently considering whether to introduce regulations.

Conclusion

8. To summarise, no decision to make regulations has been reached. There has been extensive evidence gathered over the last couple of years, as outlined in the preceding paragraphs, and Ministers require some additional time to consider this evidence to come to a decision. This evidence gathering process has taken longer than anticipated and the analysis of the results is ongoing as the costs and benefits are fully considered so Ministers make an informed decision.



Published by TSO (The Stationery Office) and available from:

Online

www.tsoshop.co.uk

Mail, Telephone, Fax & E-mail

TSO

PO Box 29, Norwich NR3 1GN

Telephone orders/general enquiries: 0870 600 5522

Order through the Parliamentary Hotline Lo-Call 0845 7 023474

Fax orders: 0870 600 5533

Email: customer.services@tso.co.uk

Textphone: 0870 240 3701

The Parliamentary Bookshop

12 Bridge Street, Parliament Square,

London SW1A 2JX

Telephone orders/general enquiries: 020 7219 3890

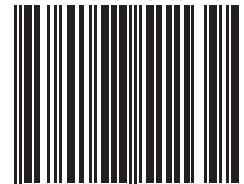
Fax orders: 020 7219 3866

Email: bookshop@parliament.uk

Internet: <http://www.bookshop.parliament.uk>

TSO@Blackwell and other accredited agents

ISBN 978-0-10-851139-4



9 780108 511394